10 March 1976

## MEMORANDUM FOR THE RECORD

SUBJECT: Conversation with Latimer -- CFI and DCI

- 1. I called Tom Latimer in OSD this morning to ask him for elaboration of a position he took yesterday in conversation with two IC Staff officers during which he said that he and Secretary Ellsworth believed that the DCI had but two hats -- one as the executive head of CIA and the other as Chairman of the CFI. (The point came up during a briefing of Latimer on tentative plans for reorganization of the IC Staff to meet its responsibilities, not only to CFI, but to the DCI and a USIB successor as well.)
- 2. Latimer said that Ellsworth has felt from the very beginning and had made the point to the President and in the presence of the DCI and directly to the DCI himself, that the DCI, under terms of Executive Order, is a Chairman of the Board, of the national Intelligence Community, and that the IC Staff should support the DCI and other members of the Board (i.e., CFI). Therefore, the construction of a Staff with so many different apparent functions conflicts with this concept, Latimer said.
- 3. It is the Ellsworth/Latimer view that the second tick of the Executive Order section dealing with the CFI clearly gives the CFI a charter in some degree of control of the collection and production process in the national arena; and therefore, any Community activities in this arena come within CFI purview.
- 4. I said we simply did not see things this way; that if one looked at the DCI portion of the Executive Order one found all kinds of responsibilities which we consider to be quite separate from the CFI. The DCI is responsible for national production. He is the principal intelligence adviser to the President, intelligence spokesman to the Congress, protector of sources and methods, declassifer of product, and a host of other things which require quite separate staff support in a Community context. Accordingly, our own tentative plans for reorganization are based upon the idea that there are three main streams of activities with some overlap among the three. Those three main streams relate to CFI, DCI, and USIB-type responsibilities.
- 5. Latimer and I agreed that what we have here is a fine issue in need of interpretation and resolution, and it really all boils down to the second tick of the CFI portion of the Executive Order.

MORI/CDF)

STAT E. H. Knoche

Acting D/DCI/IC

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